



Project Based Voucher Property Based Subsidy Overview

November 30, 2022

Agenda

- Overview of the RFP & Project Based Voucher Program
- Overview of the RFP & Property Based Subsidy Program
- Q & A

2022 PBV RFP

- The Project Based Voucher program is a partnership between THA and a property where the property agrees to set aside units and keep the rents affordable. THA pays a subsidy to the UNIT, not the household.
 - Up to 150 Project Based Vouchers
 - Existing housing (complies with HQS)
 - Contract Term: Between 1 and 15 years
 - Units must be located in THA's jurisdiction Tacoma + 2.5 miles

 - THA's Occupancy Standards : 2 Persons Per Bedroom
 - Subsidy: varies month to month based on occupancy, tenant pays approximately 30% of their income toward rent. THA pays the rest.

 - Contract (total) rent is the lowest of the following:
 - The reasonable rent
 - Rent requested by owner
 - 110% of the Fair Market Rents (in **2023**: 1br: \$1439, 2br: \$1807)₃

2022 PBV RFP

- Property Management should expect to partner with THA
- Screening criteria should be **flexible and low barrier**
- Eligibility: household income under 50% AMI
- Leasing & Occupancy: Owner fills vacancies, manages waitlist and referrals are received by THA who conducts eligibility
- Complete details regarding the PBV Program can be found in Chapter 17 of [THA's Administrative Plan](#)

- PBV project owners manage their own waiting lists
- The owner is responsible for developing written tenant selection procedures that are consistent with the purpose of improving housing opportunities for very low-income families
- Units may not be vacant for more than 120 or they will be removed from the contract
- Right to move: tenants can request a voucher after 1 year

PBV ...

- THA will:
 - Inspect units prior to initial occupancy & at turnover
 - THA will subsidize the units, the tenant will pay approximately 30% of their income toward rent, THA will pay the rest.
 - The subsidy may increase or decrease depending on the tenant's income
 - Tenant rents are income based

- Owner will:
 - Be an expert on Chapter 17 of THA's Administrative Plan
 - Enforce the lease
 - Ensure vacancies are reported as early as possible to avoid units being removed from the contract
 - Request rent increases at Contract Anniversary Date (w 60 days notice)

Property Based Subsidy Program

- THA's Goals
 - Make more affordable housing units available to low income Tacomans
 - Create a unique scalable solution to preserve affordable units
 - Operate a subsidy program with less administrative burden for THA & the Owner

- Main Differences When Compared to PBV Program:
 - Subsidy does not vary based on tenant income.
 - Owner receives fixed rent (lump sum) each month for the property. (in essence, THA pays vacancies)
 - Owner is responsible for eligibility and **will be audited to ensure compliance.**

 - Tenant Referrals do not come to THA.
 - Owner sends THA regular occupancy reports. Owner maintains pristine files.
 - Owner & THA negotiate AMI levels for covered units
 - Owner must maintain 95% occupancy rate
 - Owner qualifies family at admission only

2022 PBS RFP

- Up to 50 Property Based Subsidies
 - Existing housing (complies with HQS)
 - Contract Term: Between 1 and 10 years
 - Units must be located in THA's jurisdiction Tacoma + 2.5 miles
 - AMI Served: 30%, 40% and/or 50% of AMI

 - Contract (total) rent is the lowest of the following:
 - The reasonable rent
 - Rent requested by owner
 - 110% of the Fair Market Rents (in **2023**: 1br: \$1439, 2br: \$1807)

 - Leasing & Occupancy: Owner advertises vacancies, screens tenants & verifies income. Tenants do not have a relationship with THA

PBS...

- THA will:
 - Pay the owner an annual subsidy for the reserved units. This is a fixed amount rather than one based on a tenant's income
 - Inspect units prior to initial occupancy & at turnover

- Owner will:
 - Commit to serve low-income households below 30-50% of AMI
 - Rent to eligible households per the PBS contract
 - Advertise vacancies, screen tenants, verify income
 - Work with THA to complete inspections
 - Provide THA with quarterly reports that detail month by month occupancy levels and client data points
 - Maintain a 95% occupancy rate

PBS Subsidy Structure

□ Tenant Rents

- are fixed regardless of the tenant's actual income
- May not exceed WSHFC's maximum rent limits

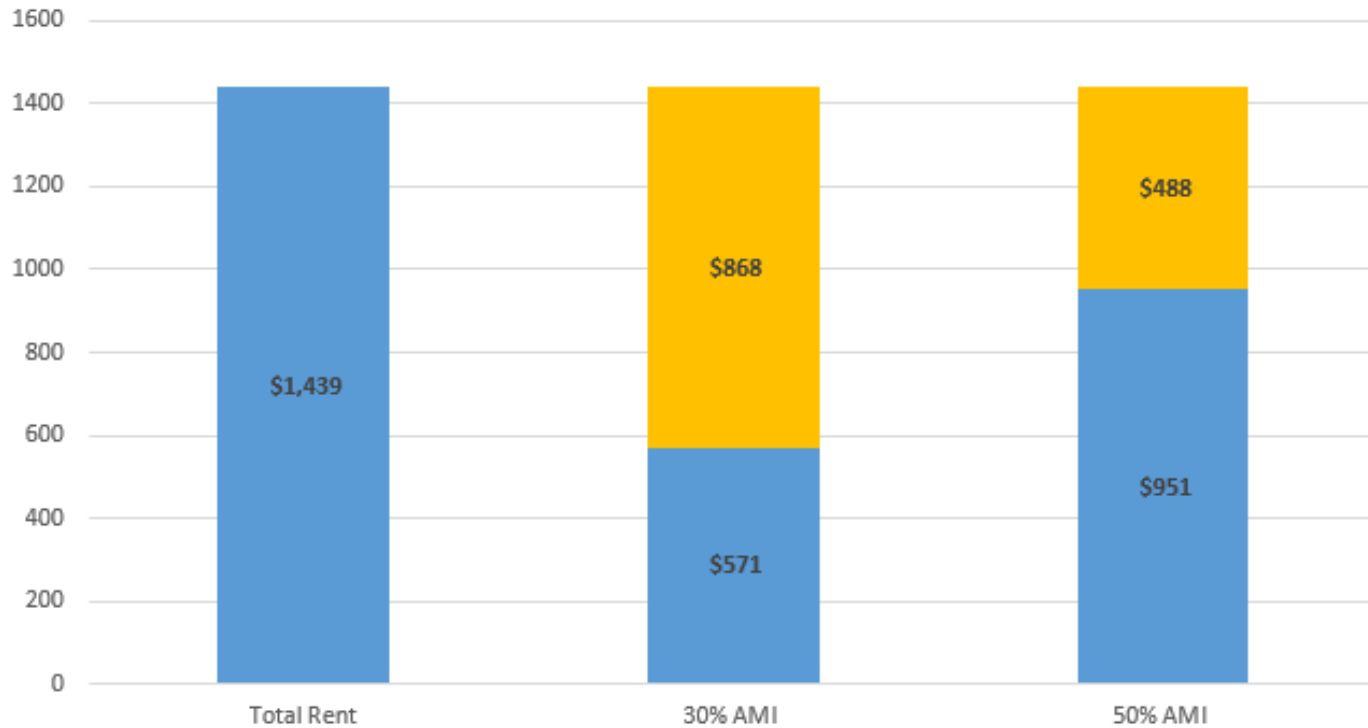
Set-aside Percentage	Studio	1-Bedroom	2-Bedroom	3-Bedroom	4-Bedroom	5-Bedroom
20%	355	380	457	528	589	649
30%	533	571	685	792	883	974
35%	622	666	799	924	1030	1137
40%	711	761	914	1056	1178	1299
45%	799	856	1028	1188	1325	1461
50%	888	951	1142	1320	1472	1624
60%	1066	1142	1371	1584	1767	1949
70%	1244	1332	1599	1848	2061	2274
80%	1422	1523	1828	2112	2356	2599

□ THA Subsidy

- Subsidies to the owner are set on an annual basis
- THA essentially pays the rest of the rent as long as it is reasonable and is less than 110% of THA's Payment Standards

PBS Subsidy Structure

PBS Subsidy Visualization: 1BR @ 30% & 50% AMI



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PBS

vs.

PBV

- Pay the owner an annual subsidy for the reserved units. This is a fixed amount rather than one based on a tenant's income
 - Tenant's portion of the rent is Fixed and will not change with income increases or decreases
 - Tenants do not have a relationship with THA, they recognize affordable rents. They are not THA participants.
 - The owner is required to conduct eligibility screening and must ensure a family is eligible to receive the subsidy
 - The owner advertises and fills vacancies (sometimes with referral partner). THA is not involved in this process
- Pay the owner a subsidy based on the income of the tenant in each unit. This may vary month to month.
 - Tenant's portion of the rent is income based and may go up or down with income increases or decreases
 - THA conducts eligibility screening and tenants are THA program participants
 - The owner works with THA to fill vacancies. Families are referred to THA for eligibility screening

Q&A